

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION**

IN RE:

**EAST COAST DEVELOPMENT II, LLC,

DEBTOR**

**CHAPTER 11
CASE NO. 11-02792-8-RDD**

**DEBTOR'S EMERGENCY MOTION FOR AUTHORIZATION TO USE CASH
COLLATERAL PURSUANT TO 11 U.S.C. § 363**

COMES NOW East Coast Development II, LLC (hereafter the "Debtor"), by and through the undersigned counsel, and respectfully moves this Court for an Order authorizing the Debtor to use cash collateral pursuant to 11 U.S.C. § 363. Furthermore, the Debtor respectfully requests an emergency hearing before this Court, pursuant to Rule 4001(b)(2) of the Bankruptcy Rules, in order to avoid immediate and irreparable harm to the Estate.

Pursuant to Bankruptcy Rule 4001(b)(1)(B), the Debtor sets forth the following introductory statement:

The Debtor is a North Carolina limited liability company and anticipates a continuation of operations by way of this proposed reorganization. The Debtor believes that in order to maintain existing operations and retain maximum value of its business, the Debtor will be required to incur certain operating expenses. The Debtor will require necessary funds for operating its business and other expenses, including repairs, maintenance, utilities, and other expenses. One of the Debtor's primary sources of continued income is through operations, including the rental of real property. It appears that the income generated from the Debtor's rental property business may constitute cash collateral of BB&T, Ciena Capital, First Bank, Georgia Capital, and Wells Fargo Bank (the "Creditors") within the meaning of § 363 of the Bankruptcy Code.

In support of this Motion for an Order Authorizing Use of Cash Collateral, the Debtor

shows unto this Court the following:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The Debtor filed its petition pursuant to Chapter 11 of the United States Bankruptcy Code on April 8, 2011, and operates as a Debtor-in-Possession.

3. The Debtor is a North Carolina limited liability company in the business of renting real property located in Onslow County, New Hanover County, Guilford County, Wake County, Brunswick County, North Carolina, and Greenville County, Charleston County, and Richland County, South Carolina.

4. Prior to filing, each of the Creditors took security interests in assets of the Debtor. These security interests purport to be perfected as follows:

a. BB&T appears to have a perfected security interest in the Debtor's accounts receivable and rental income generated from the property known as 121 Market Street, Wilmington, New Hanover County, North Carolina, and 126 Princess Street, Wilmington, New Hanover County, North Carolina by virtue of certain assignments of rents provisions set forth in the deeds of trust encumbering these properties;

b. Ciena Capital appears to have a perfected security interest in the Debtor's accounts receivable and rental income generated from the properties known as 118-122 Princess Street, Wilmington, New Hanover County, North Carolina, and 125 Market Street, Wilmington, New Hanover County, North Carolina by virtue of certain assignment of rents provisions set forth in the deeds of trust encumbering these properties;

c. First Bank appears to have a perfected security interest in the Debtor's rental income generated from the properties known as 304 and 308 Castle Hayne Road,

Castle Hayne, New Hanover County, North Carolina, and 1020 N. Front Street (1st deed of trust), Wilmington, New Hanover County, North Carolina by virtue of certain assignment of rents provisions set forth in the deeds of trust encumbering these properties;

d. Georgia Capital appears to have a perfected security interest in the Debtor's rental income generated from the properties known as 20 N. Front Street, Wilmington, New Hanover County, North Carolina; 127 Market Street, Wilmington, New Hanover County, North Carolina; 3404 and 3412 Castle Hayne Road, Castle Hayne, New Hanover County, North Carolina; and 109 Gladiolus Road, Castle Hayne, New Hanover County, North Carolina by virtue of certain assignment of rents provisions set forth in the deeds of trust encumbering the properties; and

e. Wells Fargo appears to have a perfected security interest in the Debtor's rental income generated from the properties known as 1020 N. Front Street (2nd deed of trust), Wilmington, New Hanover County, North Carolina; 105 Swing Road, Greensboro, Guilford County, North Carolina; 5600 Chapel Hill Hwy, Raleigh, Wake County, North Carolina; 2841 Azalea Drive, Charleston, Charleston County, South Carolina; 1400 Bluff Road, Columbia, Richland County, South Carolina; and 1400 Woodruff Road, Greenville, Greenville County, South Carolina.

5. It appears that the cash proceeds generated from the post-petition rental of the Debtor's properties may constitute cash collateral of the Creditors within the meaning of § 363 of the Bankruptcy Code.

6. The Debtor is currently anticipating a continuation of operations by way of its proposed reorganization. The Debtor believes that in order to maintain existing operations and retain maximum value of their business, the Debtor will be required to incur certain operating

expenses. The collection of rental proceeds is a significant source of cash with which to operate the Debtor's businesses.

7. The Debtor will require necessary funds for operational expenses and other expenses. These expenses include insurance, supplies, repairs, maintenance, and other operating expenses, as well as applicable taxes.

8. The Debtor will maintain one or more Debtor-in-Possession bank accounts, into which it will deposit all cash, checks, and other cash items.

9. The Debtor represents that a reorganization and continuation of its operations will generate the greatest source of funds for creditors, including secured creditors.

WHEREFORE, the Debtor respectfully prays for the following relief:

1. For a preliminary hearing on this Motion in order that immediate harm to the Estate can be avoided;

2. For leave of the Court to pay necessary expenses utilizing current cash collateral generate by the above-described operations;

3. For an Order authorizing the Debtor to use cash collateral in accordance with 11 U.S.C. § 363; and

4. For such other and further relief that this Court deems just and appropriate.

DATED: 04/08/2011

s/Amy M. Currin
AMY MARVINE CURRIN
N.C. State Bar No. 26031
Attorney for Debtor
STUBBS & PERDUE, P.A.
P.O. Box 1654
New Bern, NC 28563
(252) 633-2700
(252) 633-9600 FACSIMILE

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION**

IN RE:

**EAST COAST DEVELOPMENT II, LLC,

DEBTOR**

**CHAPTER 11
CASE NO. 11-02792-8-RDD**

NOTICE OF EMERGENCY MOTION

NOTICE IS HEREBY GIVEN of the DEBTOR'S EMERGENCY MOTION FOR AUTHORIZATION TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363 ("Motion") filed simultaneously herewith in the above captioned case; and,

FURTHER NOTICE IS HEREBY GIVEN that this Motion may be allowed provided no response and request for a hearing is made by a party in interest in writing to the Clerk of this Court; and,

FURTHER NOTICE IS HEREBY GIVEN, that a hearing will be conducted on the Motion and any response thereto on April 14, 2011 at 3:00 p.m. at the United States Bankruptcy Court, 1760-A Parkwood Blvd, Wilson, North Carolina.

DATE OF NOTICE: 04/08/2011

s/Amy M. Currin
AMY MARVINE CURRIN
Attorney for Debtor
STUBBS & PERDUE, P.A.
P.O. Box 1654
New Bern, NC 28563
N.C. State Bar No. 26031
(252) 633-2700
(252) 633-9600 FACSIMILE

CERTIFICATE OF SERVICE

I, Amy M. Currin, Post Office Box 1654, New Bern, N.C. 28563-1654 certify;

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age;

That on the 8th day of April, 2011, the DEBTOR'S EMERGENCY MOTION FOR AUTHORIZATION TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363 AND NOTICE THEREOF was served on the parties shown below as indicated and on the parties shown on Exhibit A, attached hereto, electronically via facsimile or electronic transmission; and,

I certify under penalty of perjury that the foregoing is true and correct.

DATED: 04/08/2011

s/Amy M. Currin
AMY MARVINE CURRIN
Attorney for Debtor
STUBBS & PERDUE, P.A.
P.O. Box 1654
New Bern, NC 28563
N.C. State Bar No. 26031
(252) 633-2700
(252) 633-9600 FACSIMILE

Copies to:

Bankruptcy Administrator
served via CM/ECF

BB&T
Attn: Doug Donald, Vice President
PO Box 1727
Wilmington, NC 28402
Fax: 910-815-2789
Served via facsimile

David Ray
Attorney for BB&T
Fax: 910-251-9667
Served via facsimile

Ciena Capital
Attn: Mark E. Carlson, Vice President & Asset
Manager
212 Tryon St., Suite 1560, Charlotte, NC 28281
Direct: (704) 831-2115
Fax: (704) 831-2106
Email: mcarlson@cienacapital.com
Served via facsimile

Christopher H. Roede
Attorney for Ciena Capital, LLC
301 Fayetteville Street, Suite 1900, Raleigh, NC
27601
Phone: 919-783-2932
Fax: 919-783-1075
Served via facsimile

First Bank, Attn: Helen Ward Stevens
Vice President - Business Development Officer
First Bank 201 Market Street, Wilmington, NC
28402
Phone (910) 442-4132
Fax (910) 763-9622
hstevens@firstbancorp.com
Served via facsimile

Alan Solana,
Attorney for First Bank
Phone: 910-251-2273
Fax: 910-251-2203
Served via facsimile

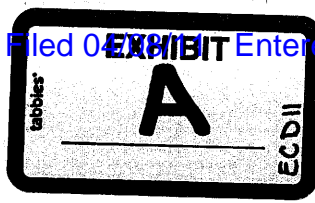
Georgia Capital, LLC
Attn: Whitt Marshall
3525 Piedmont Road, 6 Piedmont Center Suite 305
Atlanta, Georgia 30305
Ph: (404) 256-3006
Fax: (404) 256-3011
Served via facsimile

Robert L. Dann, Attny Georgia Capital
Miller & Martin PLLC
Suite 1000 Volunteer Bldg.,
832 Georgia Avenue, Chattanooga, TN 37402
Phone (423) 785-8280
Fax (423) 321-1586
Served via facsimile

Wells Fargo (Wachovia)-
Special Assets Management
Attn: Jim Gragnolati CFA, LEED AP
Two Wells Fargo Center, M-10, Credit Management
Group D1129-100, Charlotte, NC 28288
Tel 704-374-7176
Fax 704-383-5031
James.Gragnolati@wellsfargo.com
Served via facsimile

Wells Fargo (Wachovia) Attorney
Anna Nisbet - K&L Gates, LLC
Hearst Tower, 47th Floor, 214 North Tryon Street,
Charlotte, NC 28202
ph 704-331-7400
fax 704- 353-3129
Served via facsimile

James A. McFarland
President of Debtor
East Coast Development II, LLC
Served via e-mail and facsimile



BRUNSWICK COUNTY TAX OFFICE
ATTN: MANAGING AGENT
P.O. BOX 29
BOLIVIA, NC 28422-0029
Fax: 910.253.2861

BRAD CLAYMAN
802 CORDGRASS ROAD
HAMPSTEAD, NC 28443
PH/FAX: 910.270.5564

NANCY CLAYMAN
802 CORDGRASS ROAD
HAMPSTEAD, NC 28443
PH/FAX: 910.270.5564

NANCY CLAYMAN
802 CORDGRASS ROAD
HAMPSTEAD, NC 28443
PH/FAX: 910.270.5564

FIRE TECHNOLOGIES, INC.
C/O H. KENNETH STEPHENS, II
701 PRINCESS STREET
WILMINGTON, NC 28401
Fax: 910.675.1116
Fax: 910.763.0783 - attny

BRIAN GESHICKTER, ESQ.
215 RACINE DRIVE, SUITE 204
WILMINGTON, NC 28403
PH: 910.202.0954
brian@baglaw.com

RUTH MAZUREK
98-11 QUEENS BLVD., SUITE 1B
REGO PARK, NY 11374
FAX: 718.896.2939

NEW HANOVER COUNTY TAX
ATTN: MANAGING AGENT
P.O. BOX 18000
WILMINGTON, NC 28406
FAX: 910.798.7310

ONslow COUNTY TAX OFFICE
ATTN: MANAGING AGENT
39 TALLMAN STREET
JACKSONVILLE, NC 28540
FAX: 910.798.7310

PARAMOUNT ENGINEERING
ATTN: MANAGING AGENT
5911 OLEANDER DRIVE, SUITE 201
WILMINGTON, NC 28403
FAX: 910.791.6760

PENDER COUNTY TAX OFFICE
ATTN: MANAGING AGENT
P.O. BOX 1047
BURGAW, NC 28425-1047
FAX: 910.259.1286

STATE OF NORTH CAROLINA
C/O WILLIAM E. WOLAK, ESQ.
615 BESS STREET
WILMINGTON, NC 28402
Fax: 910.343.3669

CINDY YORK, ESQ.
2030 EASTWOOD ROAD, SUITE 7
WILMINGTON, NC 28403
FAX: 910.256.1236